

11-23-09

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

PUBLIC UTILITIES
COMMISSION

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FILED

----- In the Matter of -----)	Docket No. 2009-0108
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PUBLIC UTILITIES COMMISSION)	
)	
Instituting a Proceeding to Investigate)	
Proposed Amendments to the Framework for)	
Integrated Resource Planning)	
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COMMENTS OF HAWAII RENEWABLE ENERGY ALLIANCE
REGARDING
NRRI'S REPORT ON CLEAN ENERGY SCENARIO PLANNING
AND
CERTIFICATE OF SERVICE

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COMMENTS OF HAWAII RENEWABLE ENERGY ALLIANCE

REGARDING

NRRI'S REPORT ON CLEAN ENERGY SCENARIO PLANNING

In accordance with the schedule for the instant docket as amended and approved by the Commission in its Decision and Order, dated September 23, 2009, the Hawaii Renewable Energy Alliance ("HREA") respectfully submits its comments on the National Regulatory Research Institute's ("NRRI's") report entitled: "Clean Energy Scenario Planning: Thoughts on Creating a Framework."

HREA would first like to thank the Commission for contracting NRRI to prepare this report on CESP. We also would like to thank David Magnus Boonin of NRRI for his effort in defining and discussing key issues with respect to the HECO Companies proposed Clean Energy Scenario Planning ("CESP") process. Overall, we believe this report will help the Parties refine their position in the instant docket.

HREA believes that Mr. Boonin has done a very good job in defining the characteristics of traditional IRP, which did focus primarily on least cost options for a single objective. However, IRP has evolved to much more than the traditional IRP in Hawaii. For example, IRP has incorporated new state policies, such as net energy metering and portfolio standards, which has taken IRP into the realm of multiple objectives.

IRP has also evolved to consider developments in new generation and demand-side management technologies, including renewables, energy efficiency and load management, and has focused on strategies to best move from fossils to renewables in support of our state policies. In contrast, the first round of IRPs in Hawaii, while renewables were evaluated, they were not included in the actual IRP.

HREA notes that IRP in Hawaii has always involved resolving issues surrounding uncertainties, e.g., predicting and/or assessing the price of oil, anticipating monetization of externalities, and evaluating the commercial availability of emerging renewable technologies.

HREA notes further that IRP in Hawaii as included consideration of alternatives beyond a single future, e.g. Advisory Groups have recommended use of plug-in electric vehicles for utility storage, as well as conventional emergency generators for utility system back-up.

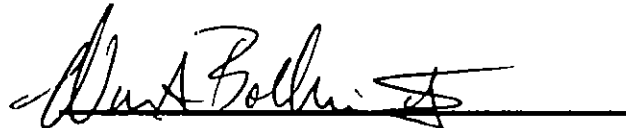
From HREA's perspective, CESP as the analytical and evaluation tool, can and should be incorporated into the existing IRP process by selecting an appropriate number of scenarios for a preferred strategy. We also see the scenario analysis as on-going and providing flexibility for modifications to the Action Plan on at least an annual basis.

Mr. Boonin makes the case as do the HECO Companies and the CA in their CESP proposal that CESP represents a paradigm shift from IRP. We disagree. As we have stated previously, in our view CESP is an analytical and evaluation tool that can be used to evaluate alternative scenarios to implement alternative strategies, which in IRP we have called "plans."

Mr. Boonin has done a good job in highlighting issues with respect to how scenarios might be developed, including a collaborative process with an experienced facilitator. We believe success could be easily defined as a collaborative approach, which results in agreement that works for all collaborators, or that all collaborators can live with. HECO's IRP is meant to be collaborative and sometimes has involved professional facilitators, e.g., in the evaluation of externalities. The result in that case was that HECO did not to assign monetary values to externalities in IRP. That did not work for HREA and was a major disappointment for us.

HREA would agree that Mr. Boonin's proposed five steps or implementation of the framework are worthy of consideration by the Parties in the instant docket. However, there is still disagreement as to whether we are talking about an IRP Framework or a CESP Framework. As a proponent of the former, HREA believes the five steps are logical as part of CESP as an analytical and evaluation tool. Thus, we believe NRRI's comments in this section are apropos to helping us decide to what level and detail specific "steps" should be incorporated into the Framework.

Regarding the partial list of mandates and legislatively mandated positions in the Appendices A and B to the report, HREA agrees with and supports their inclusion, with revisions as appropriate, as appendices to the Framework. We also support creation and implementation of a painless mechanism for updating these appendices. Finally, HREA will respond to the questions Mr. Boonin has proposed in Appendix C in our Final Statement of Position.

A handwritten signature in black ink, appearing to read "David A. Boonin", is written over a solid horizontal line.

President, HREA

CERTIFICATE OF SERVICE

The foregoing HREA Comments were served on the date of filing via Hand Delivery or email to each such Party as follows.

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DATED: Honolulu, Hawaii, November 23, 2009